



UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

June 16, 2017

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Fuel and Purchased Power Adjustment
July 2017

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith respectfully files its fuel and purchased power adjustment (F&PP) pursuant to its Rate 58.

Base Fuel	\$0.02524
Fuel and Purchased Power Adjustment	<u>(0.00459)</u>
Total FPPA	\$0.02065

Exhibit A is the 13th Revised Sheet No. 27.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after July 1, 2017 unless the Commission otherwise orders.

Exhibit B, page 1 summarizes the fuel and purchase power adjustment calculated pursuant to the terms of Rate 58 authorized in Docket No. EL15-024. The current portion of the rate that will apply during the month of July 2017 is a negative 0.582 cents per Kwh. Pages 2 through 4 show the calculation of the adjustment which is based on a four month historical average cost of fuel and purchased power.

Fuel and Purchased Power Adjustment – Annual Surcharge Adjustment

On June 15, 2016, the Commission approved a Settlement Stipulation in Docket No. EL15-024, Montana-Dakota’s Application for authority to increase electric rates in South Dakota. The Settlement Stipulation included changes to the Fuel and Purchased Power Adjustment Rate 56 tariff. Specifically, the Rate 58 tariff established a Deferred Fuel Cost Account to record the over or under recovered fuel and purchased power costs as defined in the tariff. An amortization shall be determined by July 1 of each year which will reduce the balance in the Deferred Fuel Cost Account over the following twelve months.

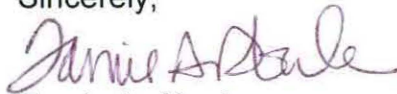
Exhibit C shows the calculation of the surcharge adjustment that will be applicable to Montana-Dakota’s customers from July 1, 2017 through June 30, 2018. The Deferred

Fuel Cost Account has an unrecovered balance of \$187,310 which results in a surcharge adjustment of 0.123 cents per Kwh as shown on page 1.

The net effect of this F&PP adjustment is an increase of 0.081 cents per Kwh for service rendered in the month of July 2017 from currently effective rates.

If you have any questions regarding this filing, please contact me at (701) 222-7856 or tamie.aberle@mdu.com.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment